

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1061 - HB 1408

February 15, 2017

SUMMARY OF BILL: Eliminates the exemption for design service firms and consultant contracts entered into by the Department of Transportation (TDOT) from the competitive bidding requirement.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 54-1-130, the Commissioner of TDOT is authorized to establish cost principles to be used to determine the reasonableness and allowability of various costs, including overhead rates, salary limits, allowable expense reimbursements and other costs the Commissioner may deem necessary to regulate as they are applicable to design and consultant contracts, to promote engineering and design quality and to ensure the maximum benefits of competition by professional engineering and design service firms.
- The removal of the exemption from the competitive bidding requirement for design service firms and consultant contracts will not allow for competitive bidding to occur between such firms and consultant contracts when entering into an agreement with TDOT, as such competitive bidding is not allowed in the procurement of TDOT's professional services contracts pursuant to state and federal regulations, Tenn. Code Ann. § 12-4-107 and 23 CFR § 172.7 respectively.
- As a result, the proposed legislation will not have a significant fiscal impact on the state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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